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Exmo. Sr, Presidente do da Autoridade da Concorrência  
Prof. Doutor António Ferreira Gomes

*Dear Sir,*

2nd September 2015

My attention has been drawn to the Study on Competition in the Port Sector Report. This Association is a non-political professional technical body which represents marine pilots at the international Maritime Organization (IMO) in London where we have enjoyed consultative status for 40 years.

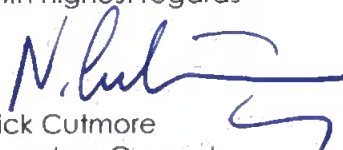
We find it entirely understandable to review maritime infrastructure in order to promote efficiency and improvements to safety outcomes. However, we are extremely concerned about the recommendation that pilotage in Portugal should be opened to competition as we have considerable knowledge and experience of this area which indicates that it will be counterproductive to Portugal both in economic and safety terms.

The proposal that liberalization/concession granting/introducing competition will drive down costs in pilotage is a fallacy. As proven in Denmark and Argentina, costs invariably rise. This is not an opinion, it is a fact. Danish Government figures indicate that already, only a short while after introducing competition, the cost of pilotage has risen by about 20%. The earnings of the pilots do not increase, but the requirements of companies to make a profit out of the public service increases the costs because of "cherry-picking", and a need to provide some sort of safety-net for the smallest and least attractive vessels who need a pilot. As a long-term example of where this policy leads we suggest you look at Argentina where the cost of competitive pilotage in the River-Plate is 100% more expensive than that in Uruguay using the same waterway. Pilotage in Uruguay is strictly regulated by Government.

You will also need to be prepared for an increase in accidents in your territorial waters because a pilot who is an employee of a profit-making entity will not be making independent judgments about critical safety matters but will be concerned about economic and business factors. Again, this is not an opinion, but a fact. The International Group of P & I Clubs (the shipowners' mutual self-insurance societies) have noted an increase level in accidents in areas where pilotage is subject to competition.

We would respectfully suggest that these issues are most carefully considered before there is any impact either on your economy or your environment.

With highest regards

  
Nick Cutmore  
Secretary General  
International Maritime Pilots' Association